

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
SECURITIES DIVISION**

IN THE MATTER OF

SOLIUM FINANCIAL SERVICES LLC

**Administrative Consent Order
LS-19-3865**

Respondent

CONSENT ORDER

WHEREAS, the Secretary of State of the State of Mississippi (“Administrator”) has the authority to administer and provide for the enforcement of all provisions of the Mississippi Securities Act (“Act”), as codified at Mississippi Code Annotated Sections 75-71-101 to -701 (2016 & Supp. 2018);

WHEREAS, Solium Financial Services LLC (“SFS”) is a broker-dealer with a principal place of business at 50 Tice Boulevard, Suite A-18 Woodcliff Lake, New Jersey 07677, and is registered as a broker-dealer with the Securities Division of Mississippi Secretary of State’s Office (“Division”);

WHEREAS, on May 1, 2019, Morgan Stanley acquired Solium Capital Inc., which included its subsidiaries Solium Holdings USA LLC and SFS (hereinafter collectively with SFS and its affiliates, “Solium”).

WHEREAS, after the acquisition, SFS self-reported to certain state securities regulators that it had transmitted securities orders in certain jurisdictions at a time when SFS was not registered as a broker-dealer in such jurisdictions;

WHEREAS, certain members of the North American Securities Administrators Association (collectively, the “State Regulators”) conducted a coordinated investigation of SFS to determine whether SFS’s activity was in violation of the relevant jurisdictions’ broker-dealer

registration requirements;

WHEREAS, SFS has cooperated during the course of the investigation and has agreed to resolve the investigation with the State Regulators;

WHEREAS, SFS, without admitting or denying the Findings of Fact and Conclusions of Law contained herein, voluntarily consents to the entry of this Consent Order (“Order”) pursuant to the Mississippi Securities Act with respect to this Order;

NOW, THEREFORE, on behalf of the Administrator, the Division hereby enters this Order:

FINDINGS OF FACT

1. The Secretary of State has the authority pursuant to the Act to administer and enforce the Act and regulate the offer and sale of securities in Mississippi, including the firms and persons who offer or sell securities or who provide investment advice regarding securities.
2. SFS, Central Registration Depository (“CRD”) No. 147933, is a subsidiary of Solium Holdings USA LLC. SFS registered as a broker-dealer with the Division on May 2, 2019.
3. Solium provides equity plan administration software to employers. Employee-participants of employer-sponsored equity plans that utilize Solium’s software can view and track the options and shares issued to them by their employers.
4. If an employee-participant residing in Mississippi requests an exercise or liquidation through Solium’s software, SFS transmits an order in the relevant account at a clearing broker-dealer registered in Mississippi and then routes the proceeds to the employee-participant’s account. SFS receives a share of the commissions earned on these transactions.
5. SFS does not provide advice to employee-participants or solicit transactions in any manner.

6. From at least January 2009 to May 2, 2019, SFS transmitted orders for employee-participants residing in Mississippi when SFS was not registered as a broker-dealer with the Division.

7. SFS has provided substantial and timely cooperation to the State Regulators during the course of the referenced investigation.

CONCLUSIONS OF LAW

8. When SFS effected transactions in securities during the period from at least January 2009 to May 2, 2019, it acted as broker-dealer in Mississippi as the term “broker-dealer” is defined in Section 75-71-102(4) of the Act.

9. Miss. Code Ann. Section 75-71-401 states that it is unlawful for a person to transact business in Mississippi as a broker-dealer unless such person is registered under the Act.

10. By engaging in the conduct set forth above, SFS acted as an unregistered broker-dealer in Mississippi in violation of Section 75-71-401 of the Act.

11. As a result of the stated violation, SFS is subject to the assessment of a civil penalty pursuant to Section 75-71-412 of the Act.

12. This Order is appropriate and in the public interest.

ORDER

On the basis of the Findings of Fact, Conclusions of Law, and SFS’s consent to the entry of this Order, **IT IS HEREBY ORDERED:**

1. This Order concludes the investigation by the Division and any other action that the Division could commence under applicable Mississippi law as it relates to the substance of the Findings of Fact and Conclusions of Law herein, provided, however, that the Division may pursue claims arising from SFS’s failure to comply with the terms of this Order.

2. This Order is entered into solely for the purpose of resolving the investigation and is not intended to be used for any other purpose.
3. SFS shall cease and desist from violating Section 75-71-401 of the Act.
4.
 - (a) SFS shall pay a penalty in the amount of Five Thousand Dollars (\$5,000.00) to the Mississippi Secretary of State's Office within ten (10) business days of the entry of this Order.
 - (b) SFS shall pay back registration fees in the amount of One Thousand Dollars (\$1,000.00) for the period 2014 through 2018 within ten (10) business days of the entry of this Order.
5. This Order is not intended to form the basis for any disqualification from registration as a broker-dealer, investment adviser, or issuer under the laws, rules, and regulations of Mississippi and waives any disqualification from relying upon the securities registration exemptions or safe harbor provisions to which SFS or any of its affiliates may be subject under the laws, rules, and regulations of Mississippi.
6. Nothing in this Order is intended to form the basis for any disqualification under the laws of Mississippi, any other state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; under the rules or regulations of any securities or commodities regulator or self-regulatory organization ("SRO"); or under the federal securities laws, including but not limited to, Section 3(a)(39) of the Securities Exchange Act of 1934, Regulation A, Rules 504 and 506 of Regulation D under the Securities Act of 1933, and Rule 503 of Regulation CF. Further, nothing in this Order is intended to form the basis for disqualification under the FINRA rules prohibiting continuance in membership or disqualification under other SRO rules prohibiting continuance in membership. This Order is not intended to be a final order based upon any violation of any

Mississippi statute, rule, or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

7. Except in an action by the Division to enforce the obligations in this Order, this Order is not intended to be deemed or used as (a) an admission of or evidence of the validity of any alleged wrongdoing or liability; or (b) an admission of or evidence of any such alleged fault or omission of SFS in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or other tribunal.

8. This Order is not intended to state or imply willful, reckless, or fraudulent conduct by SFS or by its affiliates, directors, officers, employees, associated persons, or agents.

9. SFS, through execution of this Order, voluntarily waives the right to a hearing and to judicial review of this Order under Sections 75-71-412, 604, and 609 of the Act.

10. SFS enters into this Order voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Division or any member, officer, employee, agent, or representative of the Mississippi Secretary of State's Office to induce it to enter into this Order.

Dated this 4th day of September, 2020

MICHAEL WATSON.
Secretary of State
State of Mississippi

By: 
JESSICA LEIGH LONG
Assistant Secretary of State
Securities Division

CONSENT TO ENTRY OF FINAL ORDER

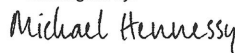
Solium Financial Services LLC hereby acknowledges that it has been served with a copy of this Order, has read this Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Solium Financial Services LLC admits the jurisdiction of the Division and consents, without admitting or denying the Findings of Fact and Conclusions of Law contained therein, to all the terms, conditions, and orders contained herein and consents to entry of this Order by the Division solely for the purposes of settlement.

Sep 4, 2020

Dated this the ____ day of _____, 20__.

Solium Financial Services LLC

DocuSigned by:

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Michael Hennessy
Managing Director